

Legislative Fiscal Bureau

Fiscal Note

HF 549 - Statutory Revisions (LSB 1265 HV.1)

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Fiscal Note Version — As Amended and Passed by the House

Description

House File 549, as amended and passed by the House, provides a number of statutory changes to the duties and operations of the Department of Education and local school boards, including:

- Changes to the Student Achievement and Teacher Quality Program to reflect the current level of implementation of the Program. The minimum teacher salary is maintained under the Program for FY 2004 at the same level as FY 2003.
- A provision directing the Department to develop and implement a comprehensive management information system to provide for the electronic transfer of student records between schools, districts, post-secondary institutions, and the Department.
- An extension in the annual deadline for school district employees to notify the local board of their intent to avail themselves of an early retirement option.
- Elimination of the requirement that school districts purchasing school buses seek separate bids on the body and the chassis.
- A provision allowing the Division of Community Colleges and Workforce Development to charge higher fees for programs for out-of-state OWI offenders.

Assumptions

1. Maintaining FY 2003 minimum salary levels for beginning teachers, first-year career teachers, and second-year career teachers will cost local school districts \$4.7 million.
2. Funding of \$230,000, set aside out of the standing General Fund appropriation of \$80.9 million for the Educational Excellence Program in Section 294A.25(g), Code of Iowa, will be sufficient for the Department to manage the costs of developing and implementing the statewide student record management information system.
3. The deadline extension for early retirement may lead to additional employees electing and/or qualifying for retirement. The number of individuals is unknown, but the impact on local property taxes will be minimal.
4. There may be some cost savings to local school districts as a result of eliminating the requirement for separate bids for a school bus body and chassis. The actual amount of savings statewide cannot be estimated, but is expected to be minimal.
5. The increase in fees to cover the cost associated with approving appropriate programs for out-of-state OWI offenders will generate \$17,000 in annual revenue for the Division of Community Colleges and Workforce Development, which will be used to defray the cost of programming.

Fiscal Impact

The statewide fiscal impact of House File 549, as amended and passed by the House, on local school districts is \$4.7 million. The Department of Education has requested an FY 2004

appropriation of \$44.7 million for the Student Achievement and Teacher Quality Program, an increase of \$4.7 million compared to the total FY 2003 appropriation. The total FY 2003 appropriation for the Program was \$40.0 million, including \$16.1 million from the General Fund and \$23.9 million in non-General Fund appropriations.

Sources

Department of Education

/s/ Dennis C Prouty

April 2, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
